



**Human Resources Division**  
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June 16, 2006

### **AGENDA ITEM 3**

#### **TO: MEMBERS OF THE PERFORMANCE AND COMPENSATION COMMITTEE**

- I. SUBJECT:** Third Quarter Status Report on Performance Plan of the Chief Executive Officer
- II. PROGRAM:** Administration
- III. RECOMMENDATIONS:** Recommend the Board Accept Third Quarter Status Report on the Performance Plan of the Chief Executive Officer
- IV. ANALYSIS:**

The Compensation Policies and Procedures provide that, at the end of each quarter in the fiscal year, executives will prepare short status reports on their respective performance plans for the Performance and Compensation Committee. Attached is the quarterly status report for the third quarter of the 2005-2006 Fiscal Year for the Chief Executive Officer.

Quarterly status reports provide a means for informing the Committee of progress toward achieving the quantitative and qualitative measures in the performance plans. If needed, performance measures may be added, amended or deleted as part of the quarterly review process.

#### **V. STRATEGIC PLAN:**

Under Goal V of the Strategic Plan, CalPERS is committed to sustaining a high performance work culture. This can be accomplished at the highest executive levels through the establishment of methods that provide broad flexibility in the recruitment, retention and compensation of key personnel.

**VI. RESULTS/COSTS:**

The establishment of performance plan measures is critical to the management of a competitive compensation program for executives at the highest levels of the organization. This, in turn, is critical to the success of the organization. The cost of performance awards that might arise from the recommendations in this item will be funded from existing resources.

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Chris O'Brien, Chief  
Human Resources Division

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Gloria Moore Andrews  
Deputy Executive Officer - Operations

Attachments

**Quarterly Performance Plan Status Reports  
Third Quarter 2005-2006 Fiscal Year**

The following FY 2005-06 third quarter status report is attached:

Position

Current Incumbent

Chief Executive Officer

Fred Buenrostro